



CITY COUNCIL

AGENDA REQUEST

AGENDA OF:	07-06-10	AGENDA REQUEST NO:	IV-A
INITIATED BY:	LISA KOCICH-MEYER, AICP SENIOR PLANNER <i>lem</i>	RESPONSIBLE DEPARTMENT:	PLANNING
PRESENTED BY:	LISA KOCICH-MEYER, AICP SENIOR PLANNER	DEPARTMENT HEAD:	DOUGLAS SCHOMBURG, AICP INTERIM PLANNING DIRECTOR <i>D.S.</i>
		ADDITIONAL DEPARTMENT HEAD (S):	N/A
SUBJECT / PROCEEDING:	STRATEGIC PARTNERSHIP AGREEMENT WITH FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 128 (RIVERSTONE)		
EXHIBITS:	RIVERSTONE GENERAL PLAN AMENDMENT NO. 2, MUD 128 VICINITY MAP PROPOSED STRATEGIC PARTNERSHIP AGREEMENT-HARD COPY AVAILABLE IN COUNCIL OFFICE		
CLEARANCES		APPROVAL	
LEGAL:	N/A	EXECUTIVE DIRECTOR:	JIM CALLAWAY <i>[Signature]</i> COMMUNITY DEVELOPMENT
PURCHASING:	N/A	ASST. CITY MANAGER:	N/A
BUDGET:	N/A	CITY MANAGER:	ALLEN BOGARD <i>QB</i>
BUDGET			
EXPENDITURE REQUIRED: \$		N/A	
AMOUNT BUDGETED/REALLOCATION: \$		N/A	
ADDITIONAL APPROPRIATION: \$		N/A	
RECOMMENDED ACTION			
Conduct public hearing and receive citizen input regarding the proposed strategic partnership agreement.			

EXECUTIVE SUMMARY

This is the first of two statutory public hearings regarding a Strategic Partnership Agreement (SPA) between the City of Sugar Land and Fort Bend County Municipal Utility District 128 (Riverstone). The SPA outlines the manner in which municipal services will be provided to the Riverstone community before and after annexation, and also lays out the terms and conditions of annexation.

Background/History

City Council approved the Riverstone Development Agreement in February 2003. The Development Agreement included exhibits of the proposed Strategic Partnership Agreement (SPA) and proposed Fire Protection Services Agreement contracts. On the same date as the approval of the Development Agreement, Council approved the SPA and Fire Protection Services Agreement for Riverstone Municipal Utility Districts as a separate agenda item.

SPA provisions (2003 version)

The 2003 Riverstone SPA terms include:

- The City will provide water and waste water services to the District pursuant to the Regional Utilities Contract (previously approved in 2003 as an exhibit to the Development Agreement and executed in 2009).
- The City will provide fire services to the District pursuant to the Fire Service Agreement (previously approved as an exhibit to the Development Agreement, execution pending SPA approval)
- Annexation
 - The City of Sugar Land may annex the District either:
 - After development of District is 90% complete and the landowner is reimbursed to the maximum extent allowed by TCEQ rules; or,
 - At any time provided the City assumes District obligations to reimburse the landowner.
 - After Annexation –
 - If only a portion of the District is annexed, the District will continue to provide service to the annexed land and will receive a rebate of a portion of the City taxes on the annexed tract(s).
 - If the entire District is annexed, the City will provide services and the District will exist only to design, construct and finance water, sewer and drainage services in the district. (Becomes an in-City MUD)
- Dissolution or Continuance of District
 - At the City's sole discretion, the District may be dissolved:
 - 120 days after annexation; or,
 - The District may continue as a Limited District for the purpose of financing water, waste water and/or drainage facilities up to ten years after annexation.
 - City may extend the District for an additional ten years by renewing the SPA.
 - If the District continues as a Limited District, City will rebate the portion of City ad valorem tax dedicated to water, waste water and drainage debt.

Modified SPA provisions:

Since the approval of the SPA in 2003, the District has proposed a modification to the annexation terms in the SPA with simplified annexation procedures. The changes include that the City Council may adopt a resolution declaring its intent to annex the District on a certain date that is no sooner than one year from the date of the resolution and no further action would be required by the City.

Fire Protection Agreement:

At the May 25, 2010 City Council Workshop, Council received an overview of the SPA terms and provided direction on fire service rates for MUD 128. The direction was to have a standardized approach to fees for fire service for all ETJ MUDs. Specifically, Council directed that MUD 128 will pay the full cost (direct cost + indirect cost) plus an out-of-city surcharge for fire services.

While the 2003 Fire Protection Agreement is set up for the District to pay direct cost which they are currently paying (then approx. \$9.62/mo/sf residence, now escalated to \$11.47/mo by CPI increases), the Agreement also allows the City to set the rate through an ordinance applied to all MUDs in the ETJ.

City Council directed that the fire service rate ordinance be completed prior to adopting this SPA with MUD 128. Therefore, the two procedural public hearings (July 6th and July 20th) will be followed by a Council consideration and action item for the SPA with MUD 128 on a future Council agenda following the adoption of the fire service rate ordinance.

In addition to the City's procedural obligations, the District must also hold two public hearings prior to their approval of the agreement. The MUD Board held their two required public hearings in July and August of 2009.

The proposed SPA document will be provided as a hardcopy for your review in the Council Office.

EXHIBITS

[illegible]

Vicinity Map (MUD 128):

(Note- Boundary Line between City of Sugar Land ETJ & Missouri City ETJ in Blue)

